

RECEIVED

2025 JUL -9 AM 10:36

CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:
FTX TRADING LTD., et al.,
Debtors.

Chapter 11
Case No. 22-11068 (KBO)
(Jointly Administered)

Re: D.I. 31148

**OBJECTION TO THE DEBTORS' MOTION TO IMPLEMENT RESTRICTED
JURISDICTION PROCEDURES**

Submitted by: DongSheng Li, FTX.com Creditor and Pro Se Claimant

1. Preliminary Statement

I would like to raise this objection in my personal capacity as a Chinese creditor of FTX. My claim number is 00173949, a KYC-certified account on the FTX exchange has a total claim amount exceeding \$183k.

We have fully complied with all the procedural requirements under the plan, but the motion currently proposed has endangered our right to be allocated in an arbitrary and unfair manner.

The motion to designate China as a "restricted jurisdiction" has neither factual basis nor legal basis. As stated below, there is no credible legal basis to draw the conclusion that distributing to Chinese creditors would expose the trustee or any distribution agency to regulatory or criminal risks.

2. Equal Distribution Rights Apply Under U.S. Bankruptcy Law

Under 11 U.S.C. §1123(a)(4), a Chapter 11 plan must "provide the same treatment for each claim or interest of a particular class." The motion, if approved, would create unlawful discrimination between creditors in the same class—based solely on nationality or residence—by imposing different requirements and outcomes.

The Celsius and Mt. Gox cases confirm that bankruptcy courts can and have distributed fiat or crypto to claimants in China and similarly situated countries. The Debtors offer no convincing reason why they cannot do so here.

3. There Are Lawful, Safe, and Practical Alternatives

USD wire transfers are lawful and standard payment mechanisms. FTX Recovery Trust has announced partnerships with global payment platforms (e.g., Payoneer, BitGo) and distribution agents (e.g., Kraken) to facilitate fiat disbursements. Chinese residents can lawfully receive USD wires via Hong Kong-based accounts, which is outside the scope of capital control violations.

4. Property rights are inalienable human rights for every individual

The United States is renowned for equality, freedom and human rights.

Article 17 of the Universal Declaration of Human Rights stipulates: "Everyone has the right to own his own property..." No one's property shall be deprived at will.

The Fifth Amendment to the United States Constitution guarantees: "No one shall be deprived of life, liberty or property without due process of law."

This motion authorizes the arbitrary confiscation of legitimate claims based solely on geographical location - without the discovery of illegal acts, without judicial procedures, and without the opportunity for appeal. It will deprive foreign creditors of their vested economic rights, effectively punishing their place of residence.

5. Relief Requested

I respectfully urge this Court to:

1. Deny the motion in its current form;
2. Direct the Debtors to explore alternative distribution methods for affected countries, including fiat-only channels or jurisdiction-specific guidance;
3. Appoint a special master or independent foreign legal consultant to evaluate the actual risks on a case-by-case basis;
4. Ensure that equal protection, good faith, and due process are honored in the treatment of all Class 5 creditors, regardless of nationality.

Conclusion

In conclusion, distributing claims to Chinese creditors poses no legal risk to the Trustee or its agents and constitutes a required step under the bankruptcy process. The motion to classify China as a "Restricted Jurisdiction" lacks factual foundation and misapplies legal principles. I respectfully urge the Court to reject any designation that would exclude Chinese creditors from distributions under the Plan.

Mr. DongSheng Li(李栋声)

dongsingli@gmail.com

2205, G9 Building, Golden Dream, Jinliu Street, Huangpu District, Guangzhou City,
Guangdong Province, China(510000)

DongSheng Li (李栋声)

Dated: July 7, 2025

FTX.com Unique Customer Code: 00173949

RECEIVED

CERTIFICATE OF SERVICE

2025 JUL -9 AM 10:36

CLERK
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

I, DongSheng Li, hereby certify that on July 7, 2025, I caused a copy of the foregoing
Objection to the Motion of the FTX Recovery Trust to Implement Restricted Jurisdiction
Procedures to be served via electronic mail upon the following parties:

Sullivan & Cromwell LLP

- James L. Bromley - bromleyj@sullcrom.com
- Alexa J. Kranzley - kranzleya@sullcrom.com
- Andrew G. Dietderich - dietdericha@sullcrom.com
- Brian D. Glueckstein - gluecksteinb@sullcrom.com

Landis Rath & Cobb LLP

- Adam G. Landis - landis@lrclaw.com
- Kimberly A. Brown - brown@lrclaw.com
- Matthew R. Pierce - pierce@lrclaw.com

I certify under penalty of perjury that the foregoing is true and correct.
Respectfully submitted,

DongSheng Li(李栋声)

dongsingli@gmail.com

2205, G9 Building, Golden Dream, Jinliu Street, Huangpu District, Guangzhou City,
Guangdong Province, China(510000)

DongSheng Li (李栋声)

Dated: July 7, 2025

FTX.com Unique Customer Code: 00173949

